

Program B: Resource Services

Program Authorization: R.S. 51:2311 et. Seq.; R.S. 51:2315; R.S. 51:2331; R.S. 51:2341 et seq.; R.S. 51:2377 et. Seq.; Acts 6,7,8,9 and 12 of the Regular Legislative Session.

Program Description

The mission of the Resource Services Program is to support the cluster-based initiatives by developing physical and financial resources to foster economic growth. The goals of the Resource Services Program are:

1. To ensure the availability of physical infrastructure in Louisiana to support economic development activities.
2. To support worker training programs that help Louisiana citizens achieve the skills needed for employment in Louisiana businesses.
3. To provide financial assistance to Louisiana businesses that enables them to successfully operate and grow.
4. To provide economic development incentives to expand the business base in Louisiana and recruit quality companies to the state.
5. To build economic development partnerships within the state.

The Resource Services Program administers the department's financial assistance and capital programs for Louisiana businesses by providing matching funds, venture capital, and issuing loan guarantees and other financial mechanisms under the review and approval of the Louisiana Economic Development Corporation; acts as staff for the State Board of Commerce and Industry; administers various tax exemption programs, the Workforce Development and Training Program, and the Economic Development Award Program through cooperative agreements with private companies and public agencies. The Resource Services Program has three activities: Workforce Development and Training, Economic Development Award Program, and Louisiana Economic Development Corporation.

The Workforce Development and Training activity provides funding for customized workforce training programs in order to improve the competitiveness and productivity of Louisiana's workforce and business community and to assist Louisiana businesses in promoting employment stability.

The Economic Development Award Program activity provides grants for publicly-owned infrastructure to assist industrial or business development projects that promote economic development and that require state assistance.

The Louisiana Economic Development Corporation activity assists businesses through administration of loan, investment, and grant programs designed to meet the need for flexible, innovative capital.

RESOURCE ALLOCATION FOR THE PROGRAM

	ACTUAL 2000-2001	ACT 12 2001-2002	EXISTING 2001-2002	CONTINUATION 2002-2003	RECOMMENDED 2002-2003	RECOMMENDED OVER/(UNDER) EXISTING
MEANS OF FINANCING:						
STATE GENERAL FUND (Direct)	\$18,899	\$0	\$40,000	\$35,523	\$53,534	\$13,534
STATE GENERAL FUND BY:						
Interagency Transfers	0	0	0	0	0	0
Fees & Self-gen. Revenues	737,579	636,628	636,628	610,453	667,102	30,474
Statutory Dedications	12,715,230	28,232,070	31,676,952	16,643,140	17,782,730	(13,894,222)
Interim Emergency Board	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
TOTAL MEANS OF FINANCING	\$13,471,708	\$28,868,698	\$32,353,580	\$17,289,116	\$18,503,366	(13,850,214)
EXPENDITURES & REQUEST:						
Salaries	\$782,987	\$815,959	\$815,384	\$830,912	\$927,465	\$112,081
Other Compensation	13,235	0	0	0	0	0
Related Benefits	132,440	153,438	154,013	156,114	156,600	2,587
Total Operating Expenses	92,817	101,058	101,058	103,482	121,058	20,000
Professional Services	8,000	0	40,000	0	0	(40,000)
Total Other Charges	12,441,339	27,798,243	31,243,125	16,198,608	17,298,243	(13,944,882)
Total Acq. & Major Repairs	890	0	0	0	0	0
TOTAL EXPENDITURES AND REQUEST	\$13,471,708	\$28,868,698	\$32,353,580	\$17,289,116	\$18,503,366	(13,850,214)
AUTHORIZED FULL-TIME EQUIVALENTS: Classified	22	18	18	18	18	0
Unclassified	1	1	1	1	1	0
TOTAL	23	19	19	19	19	0

SOURCE OF FUNDING

This program is funded with State General Fund, Fees and Self-generated Revenues and Statutory Dedications. The Fees and Self-generated Revenues are due to certain specified fees collected from businesses applying for business incentives granted by the department. Statutory Dedications are derived from the Louisiana Economic Development (LED) Fund, based upon Act 34 of the 2001 Regular Session. This fund includes cash from investments and vendor's compensation from the Department of Revenue and the Department of Public Safety. Acts 7, 8 and 9 of the 2001 Regular Session restructured the department; the Workforce Development and Training Fund and the Economic Development Award Program Fund were eliminated and subsequently merged into the Louisiana Economic Development Fund. (Per R.S. 39:36B.(8), see table below for a listing of expenditures out of each statutory dedicated fund.)

	ACTUAL	ACT 12	EXISTING	CONTINUATION	RECOMMENDED	RECOMMENDED
	2000-2001	2001-2002	2001-2002	2002-2003	2002-2003	OVER/(UNDER)
						EXISTING
Marketing Fund	\$121,768	\$0	\$0	\$0	\$0	\$0
Small Business Surety Bonding Fund	\$0	\$0	\$0	\$0	\$0	\$0
Louisiana Economic Development Fund	\$7,928,669	\$28,232,070	\$31,676,952	\$21,143,140	\$17,782,730	(\$13,894,222)
Workforce Development Fund	\$1,677,999	\$0	\$0	\$0	\$0	\$0
Economic Development Award Program	\$2,986,794	\$0	\$0	(\$4,500,000)	\$0	\$0
Deficit Elimination/Capital Outlay Escrow Replenishment Fu	\$0	\$0	\$0	\$0	\$0	\$0

MAJOR FINANCIAL CHANGES

GENERAL FUND	TOTAL	T.O.	DESCRIPTION
\$0	\$28,868,698	19	ACT 12 FISCAL YEAR 2001-2002
			BA-7 TRANSACTIONS:
\$40,000	\$40,000	0	Carry forward of \$40,000 in General Fund to provide sufficient funds for prior year contractual obligations associated with and analysis of Louisiana's business incentives programs.
\$0	\$1,099,635	0	Carry forward of \$1,099,635 in Statutory Dedications to provide sufficient funds for prior year Economic Development Award Program contractual obligations. These contracts were for infrastructure construction projects requiring more than 12 months to plan and construct.
\$0	\$2,345,247	0	Carry forward of \$2,345,247 in Statutory Dedications to provide sufficient funds for prior year Workforce Development and Training Program contractual obligations. These contracts provided customized workforce training programs to existing and prospective Louisiana businesses.
\$40,000	\$32,353,580	19	EXISTING OPERATING BUDGET - December 20, 2001
\$0	\$6,884	0	Annualization of FY 2001-2002 Classified State Employees Merit Increase
\$0	\$10,745	0	Classified State Employees Merit Increases for FY 2002-2003
\$0	\$3,846	0	Unclassified State Employees Merit Increases for FY 2002-2003
\$0	\$93,193	0	Salary Base Adjustment
\$0	(\$6,000,000)	0	Other Non-Recurring Adjustment for funding provided to create two Service Zone Facilities
\$0	(\$1,099,635)	0	Non-Recurring Carry forward Adjustment for prior year contractual obligation for the Economic Development Award Program (EDAP)
\$0	(\$2,345,247)	0	Non-Recurring Carry forward Adjustment provided funds for prior year Workforce Development and Training Program contractual obligations
(\$40,000)	(\$40,000)	0	Non-Recurring Carry forward Adjustment provided funds for prior year contractual obligations associated with and analysis of Louisiana's business incentives programs
\$0	(\$4,500,000)	0	Other Non-Recurring Adjustment for the Economic Development Award Program (EDAP). This program does not have a revenue source.
\$20,000	\$20,000	0	Other Adjustment to pay expenses associated with Louisiana E-Mall
\$33,534	\$0	0	Net Means of Financing Substitution-Replace Fees and Self-generated revenues with State General Fund to support the continuing operations of the department due to a decline in business incentive fees.
\$53,534	\$18,503,366	19	TOTAL RECOMMENDED
\$0	(\$2,200,000)	0	LESS GOVERNOR'S SUPPLEMENTARY RECOMMENDATIONS

MAJOR FINANCIAL CHANGES

GENERAL FUND	TOTAL	T.O.	DESCRIPTION
\$53,534	\$16,303,366	19	BASE EXECUTIVE BUDGET FISCAL YEAR 2002-2003
			SUPPLEMENTARY RECOMMENDATIONS CONTINGENT UPON RENEWAL OF THE SUSPENSION OF EXEMPTIONS TO THE 3% SALES TAX BASE:
\$0	\$1,650,000	0	This recommendation represents 13% of the total vendor's compensation received by the Department of Economic Development in sales tax. These funds will be deposited in the Louisiana Economic Development Fund. The first \$2,000,000 deposited in this fund goes toward marketing expenses for the department and the remainder of the fund balance is used to assist the financial assistance program. (R.S. 47:306 and 47:318)
\$0	\$1,650,000	0	TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT UPON RENEWAL OF THE SUSPENSION OF EXEMPTIONS TO THE 3% SALES TAX BASE
			SUPPLEMENTARY RECOMMENDATIONS CONTINGENT UPON RENEWAL OF THE SUSPENSION OF EXEMPTIONS TO THE 1% SALES TAX BASE:
\$0	\$550,000	0	This recommendation represents 5% of the total vendor's compensation received by the Department of Economic Development in sales tax. These funds will be deposited in the Louisiana Economic Development Fund. The first \$2,000,000 deposited in this fund goes toward marketing expenses for the department and the remainder of the fund balance is used to assist the financial assistance program. (R.S. 47:306 and 47:318)
\$0	\$550,000	0	TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT UPON RENEWAL OF THE SUSPENSION OF EXEMPTIONS TO THE 1% SALES TAX BASE
\$53,534	\$18,503,366	19	GRAND TOTAL RECOMMENDED

PROFESSIONAL SERVICES

\$0 This program does not have funding for Professional Services for Fiscal Year 2002-2003.

\$0 TOTAL PROFESSIONAL SERVICES

OTHER CHARGES

\$15,000	Special Marketing - funds used for meetings with prospects, group activities, special events, and activities to promote economic activity and stimulate interest in Louisiana as a business location.
\$80,000	Enterprise Zone Technical Assistance - to provide funding for the local Planning Districts which are responsible for providing information on approximately 1,200 Enterprise Zones located in the state's 64 parishes. The Planning Districts also make appearances at hearings plus respond to requests for information from local officials.
\$5,000	Miscellaneous Activities - to provide funding for financial assistance investment workshops, planning, training, and any other contractual services deemed necessary
\$34,000	Funding to provide CPA Audit Services
\$2,500,000	Workforce Development and Training Program - funding to provide customized workforce training programs to existing and prospective Louisiana businesses by enhancing: competitiveness and productivity of Louisiana's workforce and business community, upgrading employee skills for new technologies or production processes, and assisting Louisiana businesses in promoting employment stability.
\$14,664,243	Financial Assistance - Louisiana Economic Development Corporation (LEDC) - to provide funding to: Louisiana Small Business Loan Program, Venture Capital Incentive Program, Business and Industrial Development Corporation Program (BIDCO), Micro Loan Program, and the Contract Loan Program and any other programs as approved by the Board of the LEDC. Also included is funding provided to Miscellaneous Loan Related Charges.
\$17,298,243	SUB-TOTAL OTHER CHARGES
	Interagency Transfers:
\$0	Description
\$0	SUB-TOTAL INTERAGENCY TRANSFERS
\$17,298,243	TOTAL OTHER CHARGES

ACQUISITIONS AND MAJOR REPAIRS

\$0 This program does not have funding for Acquisitions and Major Repairs for Fiscal Year 2002-2003.

\$0 TOTAL ACQUISITIONS AND MAJOR REPAIRS